98th Congress
1st Session
COMMITTEE PRINT
S. PRT.
98-32

U.S. SECURITY ASSISTANCE TO NATO'S SOUTHERN FLANK

A REPORT

TO THE

COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE

APRIL 1983

Printed for the use of the Committee on Foreign Relations

U.S. GOVERNMENT PRINTING OFFICE
18-350 O WASHINGTON: 1983

5382-12

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LETTER OF TRANSMITTAL

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C., March 10, 1983.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations,
United States Senate.

DEAR MR. CHAIRMAN: At the invitation of the NATO Eurogroup, chaired by Italy in 1982, a staff delegation from the Senate Committees on Foreign Relations and Armed Services and the House Committees on Foreign Affairs and Armed Services was invited to visit from October 14 to 24, 1982, NATO's southern flank (Turkey, Greece, Italy, and Portugal) to gain a better and first hand understanding of the conditions in those countries.

The staff delegation from the Senate Foreign Relations Committee consisted of the following members:

Edward G. Sanders, Staff Director
Geryld B. Christianson, Minority Staff Director
Patrick D. Balestrieri, European Affairs Subcommittee
Diana Smith, European Affairs Subcommittee

To assist the Committee in its consideration of foreign assistance to the European region, I asked Mr. Patrick Balestrieri, Staff Director for the European Affairs Subcommittee, to draft and coordinate on my behalf a Report on security assistance. This Report represents the views of only the Foreign Relations Committee staff delegation, and does not necessarily reflect either my views or those of the Senate Committee on Foreign Relations. The Report is intendel to provide a useful exposition of the important issues involved in foreign assistance to the region. It is hoped that both this study and cooperation between Congressional Committees will be of assistance to the Congress in its consideration of foreign assistance and NATO-related issues.

RICHARD G. LUGAR,
Chairman, European Affairs Subcommittee.

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U.S. FOREIGN ASSISTANCE AND ALLIED NATO COMMITMENT

Introduction

The Defense Ministries of the North Atlantic Treaty Organization (NATO) Eurogroup southern flank member nations hosted a staff delegation from the Senate Committees on Foreign Relations and Armed Services and the House Committees on Foreign Affairs and Armed Services, in Turkey, Greece, Italy, and Portugal, from October 14 to 24, 1982.

The staff delegation discussed multilateral issues with a variety of senior defense officials, Foreign Ministry officials, parliamentarians, and American Embassy officials in each country.

The delegation was acutely aware of the strains in the U.S. relationship with each of the countries—strains that could easily worsen if not carefully managed. A deterioration of the relationship would be serious because each country plays a key NATO role. To the degree that problems are allowed to accumulate, the credibility of the NATO deterrent in the southern flank could be significantly eroded.

Principal Observations

1. With the exception of Italy, each of the other countries is simply not in a position to meet its assigned NATO responsibilities without substantial additional military assistance. However, the budgetary outlook is so bleak that the needed assistance may not be forthcoming from the United States.

2. The inability of the United States to provide additional support not only inhibits the military capabilities of these three countries but also creates doubts in the minds of their officials as to the validity of participation in the Alliance. The officials find it difficult to believe that the United States could not provide the relatively small amounts of aid needed if it truly valued their NATO roles.

—This perception is exacerbated by the comparisons they draw between the fiscal year 1983 authorized level of security assistance provided to them ($772 million, of which $67 million is on a grant basis) and the level provided to Israel and Egypt ($3.8 billion, of which $2.3 billion is on a grant basis).

—Their views of their NATO responsibilities are also related to other security concerns: the Greek-Turkish dispute over Cyprus and the Aegean Sea, and Portuguese concerns over possible complications from the military integration into NATO of their larger Iberian neighbor, Spain.

—Base agreements have been central to U.S. relations with Greece, Turkey, and Portugal. Officials in Greece and Portugal asserted that they will use current base negotiations as leverage to obtain

additional U.S. military aid on more gener
sence of sizable increases in aid, these two
to agree to all of the access rights sought
In sum, the staff delegation was left with th
United States will have to accommodate to
rights if, for budgetary reasons, increased n
these countries is not forthcoming.

3. Italy is in a qualitatively different situati
for modernizing its forces and it is a leader in
cluding a staunch supporter of theater nuclear
However, Italy also believes that it has not rec
the Alliance, partly in terms of not getting ade
its NATO contributions, and, more specifically, i
ance of military procurement trade (which ran
to 1 in 1981 in favor of the United States).

4. None of these problems is unmanageable. I
a threat to the defense of NATO's southern flan
needs to devote greater attention to these countrie
their relationship with the United States.

ous terms. In the ab-
countries are unlikely
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more restricted base
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NATO defenses (in-
force deployments).
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6 to 1 in 1980 and 5

but in sum they pose
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s, their problems, and

Turkey

TURKISH MILITARY

Turkey, with approximately 740,000 personn
service, has the second largest standing army
United States.

Despite the size of its military force, Turkey
treme difficulty in effectively carrying out its N
sions because of major problems relating to the
their weapons systems and related problems con
and spare parts. Fewer than half of Turkey's
combat ready; most major armaments, from ta
are between 20–35 years old and rapidly appro
and Turkey's air defense and tactical communica
sorely inadequate.

el in active military
in NATO after the

would experience ex-
NATO assigned mis-
age and quality of
cerning maintenance
combat aircraft are
nks to naval vessels,
aching obsolescence;
itions equipment are

NATO RESPONSIBILITIES AND U.S. ASSI

STANCE

Turkish military spokesmen described Turk
NATO and the United States for three reasons:
block Soviet access from the Black Sea to the A
ranean Seas, they could cause the Soviet Union
forces from an attack on Central Europe, and th
viet thrust into the Middle East. Turkey also
States with military and intelligence gathering
an important role in supporting the U.S. Sixth F

Turkish officials stressed that, of any NATO a
longest border with the Soviet Union and directly
array of Soviet forces. Turkey, they said, wants
fective role in tying down Soviet forces and deter
sion; but, in view of the country's continuing eco
creased U.S. military aid is essential if Turkey is
regard, they view the Congressionally mandated 7

ey as important to
Turkish forces could
egean and Mediter-
o divert substantial
ey could block a So-
rovides the United
facilities, and plays
leet.

lly, Turkey has the
confronts a sizable
to play a more ef-
ring Soviet aggres-
nomic problems, in-
to do more. In this
:10 ratio of military

aid to Greece and Turkey as an impediment to Turkey's receiving the level of U.S. aid that it considers essential.

Turkish officials have consistently argued that, in order to carry out their assigned NATO responsibilities, they require at least $1 billion annually in U.S. security assistance. This figure, according to their estimates, would be the bare minimum required to enable them to carry out the much needed modernization of their armed forces and enable them to meet effectively their NATO responsibilities. For example, they referred to the need to modernize their present inventory of vintage U.S. tanks, and high priority was placed on modern combat aircraft, such as F–4E's and F–104's, to replace F–100's and on an air command and control system. Second priority would go to air defense.

They also said that, in view of the country's economic problems, Turkey would not be able to utilize standard Foreign Military Sales (FMS) loan guarantees; Turkey needs more grant aid, low interest rate loans, and grants of older U.S. equipment.

The Turkish Defense Minister compared Turkey's situation to that of other regional states such as Israel and Egypt, and argued that Turkey is no less strategically important, is in greater need of modernization than those states, and that, after all, Turkey is a NATO partner.

Turkey continues to look first and foremost to the United States to help in its military modernization. The only other significant contributor is West Germany.

The United States has pledged its "best efforts" embodied in a 5-year agreement, the Defense and Economic Cooperation Agreement of March 29, 1980, to assist Turkey militarily and economically. Consequently, Turkey is the third largest recipient of U.S. foreign assistance. In return, Turkey has agreed to continue to permit the United States to utilize military installations in Turkey for NATO-related activities. Officials indicated to the staff delegation that Turkey—provided it received an adequate assistance level in its modernization efforts—would be willing and able to play a more effective role as a front-line NATO partner.

Increased military aid to Turkey might be considered more favorably if progress could be made in resolving the Cyprus problem, the staff delegation noted. A small draw-down of Turkish forces in Cyprus made it easier to repeal the arms embargo in 1978. Turkish officials pointed out that the Turkish Cypriots had accepted the United Nations evaluation paper as a basis for resolving the present divisions between themselves and their Greek Cypriot neighbors, and were hopeful that progress could occur.

Greece

Greek Military

Because of the political tensions between Greece and Turkey, maintaining a stable military "balance" in the Aegean region has been and continues to be an important factor in the provision of U.S. aid for the region. Greek military forces, although significantly smaller in terms of numbers, are qualitatively better equipped than Turkish forces. However, the military continues to occupy a politically sensitive position in Greece because of the "installation of the colonels" and the military dictatorship in Greece from 1967–74. With the solid electoral

victory of Andreas Papandreou and PASOK (the Pan-Hellenic Socialist Movement) in the Greek national elections of October 18, 1981, the newly elected Prime Minister chose to assume the portfolio of Defense Minister as well as that of Prime Minister.

The Greek military, in particular, and Greek public opinion, in general, continue to place great weight on the perception of Turkish aggressive intentions regarding the Greek islands in the Aegean. This feeling pervades Greek-Turkish relations from the Greek point of view, and is even seen and publicly acknowledged as being of more immediate concern to Greece than the Soviet threat.

In his election campaign, Prime Minister Papandreou promised change across all sections of society and pledged to halt the 25 percent inflation rate and to inaugurate socialist domestic economic and social reforms. The PASOK platform, however, also called for fundamental innovations in foreign policy, including possible Greek withdrawal from NATO, phasing out of U.S. bases in Greece, reappraisal of Greek membership in the European Economic Community (EEC), and a tougher Greek stance regarding Cyprus and Turkey. The Prime Minister has stated, however, on a number of occasions, that he "does not want to take unilateral measures and pull any surprises", and is prepared to discuss relations with NATO and the United States in the belief that a mutually acceptable solution to differences can be found. The Prime Minister has also continued to emphasize that easing Greek concerns with regard to Turkey would be a major contribution to such a solution.

NATO RESPONSIBILITIES AND U.S. ASSISTANCE

However, the Greek Government continues to be acutely concerned about the relative levels of U.S. military assistance to Greece and Turkey. In this context, one of the most immediate bilateral issues affecting Greek-Turkish relations is the Greek insistence on a guarantee of its borders provided by the United States and/or NATO and directed against Turkey. In this regard, Greek officials cited repeated Turkish violations of Greek air space in the Aegean Sea beginning in 1975, and expressed concern about large Turkish deployments of landing craft opposite the Greek islands close to Turkey which Turkey claims was a response to Greek militarization of the islands.

Compounding the differences between Turkey and Greece is the Turkish perception that the Greek demand for the security guarantee is merely a guise for Greece's designs to extend its territorial waters to 12 miles (a right Greece claims but has not exercised) and make the Aegean a Greek Sea—thereby depriving Turkey of free access to the Aegean and of its share of mineral resources that may exist in the Aegean continental shelf.

The Greek General Staff outlined Greece's contributions to NATO in the following terms: Greece provided strategic depth in the Aegean. Soviet control of the Turkish straits would have little effect without Soviet control of the Greek Aegean islands. Greece would also be the main avenue of support for Yugoslavia and the logical base for NATO operations northward into Eastern Europe. Greece plays an important role as the link between Turkey and Italy and in controlling the sea lanes in the eastern Mediterranean.

In addition, major installations in Greece utilized by the United States and NATO provide important operational support for the U.S. Sixth Fleet in the eastern Mediterranean, important communication links, reconnaissance information, surveillance of Soviet activities in the eastern Mediterranean, support for USAF Europe and Military Airlift Command (MAC) flights and ammunition and supply storage sites.

U.S. facilities in Greece have continued to operate under the terms of a series of agreements going back to 1953 between Greece and the United States. At the request of Prime Minister Papandreou, negotiations on U.S. base rights in Greece began again on October 27, 1982. Although the Prime Minister has stated his philosophical opposition to the presence of foreign bases on Greek soil, he has left the door open for interim arrangements to be made if they meet the security needs of Greece.

The position of the Greek Government regarding U.S. bases remains, however, unclear. Government officials have stated publicly that they object to U.S. bases on Greek soil, which they see as serving the limited national interests of the United States and are not NATO-related.

A more complex position was, however, expressed to the staff delegation. Delegation members were told that different criteria would apply to base rights related to NATO and non-NATO functions.

The staff delegation was left with the impression that a major Greek objective in the negotiations would be U.S. support for maintaining the status quo vis-a-vis Turkey in terms of NATO responsibilities in the Aegean.

Negotiations with Greece over base rights may prove to be a difficult and drawn out exercise. Nevertheless, Greece sees itself as tied to Western values and culture, and, pragmatically, its relationship with NATO and the United States remains an integral and vital element for the security of Greece.

Italy

The Italian situation is politically, economically, and militarily substantially different from that of the other three countries of the southern flank visited by the staff delegation.

ITALIAN MILITARY

Militarily, Italy has a relatively better equipped force structure as well as a more developed aerospace and armaments industry. Italy is in a better position to compete in the Alliance two-way street concept for joint or coproduction of standardized weapon systems because of the industrial infrastructure and economic base. The failure of Italy to secure what is perceived as a fair share of military procurement is a source of irritation.

Politically, despite frequent changes in government coalition partners, Italy remains a sturdy and stable democracy. Communist influence which surged in the period 1975–76 has waned in the recent past, and the Italian Communist party has decreased in significance and

influence in the Italian political landscape. Prospects for increased influence on the part of the socialist party under the leadership of Mr. Craxi, however, remain good. The governing coalition in Italy at the time of the staff delegation visit was led by Prime Minister Spadolini, a member of the Republican party, in association with the Socialists and Christian Democrats. In December of 1982, with the fall of the Spadolini-led coalition, a new four-party center left coalition government was formed and is being led by the present Prime Minister, Amintore Fanfani. Prime Minister Fanfani, a Christian Democrat and former four-time Prime Minister, has a governing mandate through June of 1984 if he can avoid early elections.

As a prosperous and stable member of the southern flank, Italy continues to play a moderate leadership role on the southern flank. The significant disruption in Italian political life caused by the terrorist activities of the Red Brigades in the late 1970's and early 1980's has, with effective measures, been largely curtailed.

NATO RESPONSIBILITIES AND U.S. ASSISTANCE

Italy's size, geo-strategic location, and proximity to the areas of the Middle East and Persian Gulf enhances concerns about out-of-area threats to NATO. Italy maintains precarious but generally cordial relations with Libya and a number of other Arab states upon which Italy depends to a significant degree for energy (oil) supplies. The Italians have also participated with the Algerians in the construction of a natural gas pipeline from Algeria to Italy which is due to commence operations in the near future.

In the recent past, Italy has been a staunch and supportive ally of both NATO and the United States. However, Italian officials have expressed the sentiment that, even though they were doing all the right things in terms of Alliance solidarity, they seemed to have been taken for granted by the United States. This feeling is shared by other members of the southern flank.

A number of actions by the Italian Government in the context of the Alliance are worth highlighting. First, Italy was one of the first NATO countries to accept and begin infrastructure work on sites for NATO Intermediate Nuclear Force (INF) modernization deployments. Second, although objecting to U.S. sanctions with regard to the Soviet pipeline project because of their extra-territorial and retroactive nature, the Italian Government has "paused for reflection" before deciding upon confirming a contract with the Soviet Union for the import of 8 billion cubic meters of Soviet gas annually for 25 years. Third, the Italian Government has been vocally supportive of a number of U.S. policies, including the condemnation of Soviet backed repression in Afghanistan and Poland.

Relations between the United States and Italy, both bilaterally and in the NATO context, are extremely good. However, enhanced appreciation of Italy's role in the Alliance and increased Italian participation in NATO defense procurement and supply contracts would further improve United States-Italian relations. Italy is also willing to play a role in areas outside of NATO—for the benefit of the Alliance—as was the case when an Italian military force was sent to the Middle East in a peace keeping role.

PORTUGAL

PORTUGUESE MILITARY

The Portuguese military is still in the process of reorganization following the decade-long guerrilla wars it fought in its former African colonies. The military also intervened in the political life of the country in April 1974, and, with the return to civilian rule, its position has been clarified with the abolition of the Revolutionary Council and the new law on National Defense passed by the Portuguese Parliament in November 1982. Substantial progress has been made in reorienting the Portuguese military from its revolutionary purposes of the mid-1970's to a constructive role in NATO.

With the NATO Long Term Defense Programme, under which the rapid reinforcement of Europe is considered one of the cornerstones of deterrence, the Portuguese positions (the so-called Portuguese strategic triangle, consisting of the mainland, the Azores, and the Madeira Islands) are very important. As one Portuguese parliamentarian put it, Portugal is NATO's last line of defense in the south.

Portugal can play a special role in the support of the early arrival of reinforcements coming from overseas—a vital contribution to forward defense. The Portuguese islands of the Madeiras and the Azores also provide important air and maritime bases to counter any threat from the North African countries. Portugal is the only continental European member of the Alliance that has a territorial projection into the Atlantic open waters.

The strategic location of Portuguese positions could facilitate the following types of operations:

—The support of the rapid reinforcement of Europe—"The Atlantic Bridge"
—The support of possible out-of-area operations conducted by the U.S. forces in Southwest Asia
—The support of maritime control operations in the Atlantic
—The support of the resupply and reinforcement of the European southern flank
—The support of operations aimed at countering a potential threat from the North African region
—The surveillance and control of the North-South Atlantic Ocean routes
—The surveillance and control of the Gibraltar approaches.

NATO RESPONSIBILITIES AND U.S. ASSISTANCE

Despite its poor economic and military equipment situation, Portugal is prepared to play a much more active part in the NATO Alliance but feels that, without a substantial increase in U.S. foreign levels, it will be unable to carry out its present NATO responsibilities, let alone be able to allocate additional Portuguese resources to support the United States in other areas, such as Southwest Asia. Enabling Portugal to play an effective NATO role is also important as a means of discouraging a revival of interest on the part of the Portuguese armed forces to intervene in domestic politics.

The Portuguese presented a convincing case that they are willing but not able at present levels of assistance to play a more active role in

NATO. As with other southern flank countries, they point to their geo-strategic position and feel slighted by what they perceive as the low level of assistance provided to Portugal as compared with Israel and Egypt and other countries.

Officials of the Portuguese Government also pointed out to the staff delegation that, while they welcome the entry of Spain into NATO membership, they are unalterably opposed to the prospect of having Portuguese forces under Spanish command and control within the NATO context.

The United States began bilateral negotiations with Portugal in February 1983 with regard to Lajes base rights in the Azores and the possibility of upgrading and increasing the level of military facilities in Portugal. The perception by the Portuguese Government of U.S. understanding and appreciation of Portugal's economic, political, military, and assistance requirements will play a critical role in the eventual outcome of these discussions.

Since the staff delegation visit to Portugal in October 1982, negotiations with the Portuguese have become complicated because of internal political conditions in Portugal. Prime Minister Balsemao, as a result of disputes within his parliamentary coalition, resigned in late December 1982, and President Eanes has called for an early general election on April 25, 1983.

Formal negotiations between the United States and Portugal on the status of the Azores began in Lisbon on December 6, 1982, but have been held in abeyance pending the formation of a new government. The 4-year lease by the United States of the Lajes Air Base in the Azores expired on February 4, 1983. However, a 1-year extension was automatically tripped by the onset of negotiations for a new agreement.

O